

EX PARTE OR LATE FILED



April 8, 1999

**Celia Nogales**  
Director - Federal Relations

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
TWA-325  
Washington, D.C. 20554

**RECEIVED**

**APR 08 1999**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

**Re: Ex Parte Statement**

**CC Docket 98-170, Truth-in-Billing and Billing Format**

Dear Ms. Salas:

On April 7, 1999, Ed Wynn, Rebecca O'Mara and I met with Commissioner Susan Ness and her staff, Linda Kinney and David Fligor, Tom Power from Chairman Kennard's office, Kevin Martin from Commissioner Furchtgott-Roth's office, Kyle Dixon from Commissioner Powell's office, and Karen Gulick and Christy Shewman from Commissioner Tristani's office, to review Ameritech's recently unveiled bill redesign and to discuss the proceeding indicated above. Ameritech reviewed its position as outlined in previously filed documents at the FCC. In particular, Ameritech believes that the FCC should allow carriers the flexibility to utilize communication tools (other than the monthly telephone bill) to communicate with their customers regarding new services. In addition, efforts to highlight deniable from non-deniable services on a customer's bill may lead to customer confusion while not getting to the root cause of most billing disputes, that is, unauthorized charges.

In addition, Ameritech presented findings from a recent survey of residential customers regarding their telephone bill. That survey and important key findings are enclosed so that the data may be included in the record.

I have also included other materials used during the course of the discussions with the Commissioner and other FCC staff. If you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script, reading "Celia Nogales".

Attachments

cc: Commissioner Ness  
L. Kinney  
T. Power  
K. Dixon

D. Fligor  
C. Shewman  
K. Martin  
K. Gulick

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## **Ameritech Bill Disclosure Survey Findings**

### **BACKGROUND:**

In response to concerns raised by consumer advocates and others that residential phone customers are reluctant to question charges on their phone bills for fear of having their service disconnected, Ameritech initiated this survey to learn how customers read and respond to their billing statements.

### **KEY FINDINGS:**

1. About half of consumers (48%) usually read the entire bill. A little more than half of seniors (55%) read the entire bill.
2. 92% of consumers said that they would dispute a charge on their phone bill that seemed inaccurate. The same number of seniors would do the same.
3. 92% of consumers would call the Phone Company if a charge appeared on their telephone bill that seemed inaccurate. The same pattern exists for seniors.
4. 72% of consumers perceive the Phone Company as allowing a customer to wait to pay the bill if a charge has been disputed, until the charge has been fully investigated. The same pattern exists for seniors.

## **MEMORANDUM**

**To: Cecille Feliciano**

**From: Chris Bumcrot, Maryellen Tipton**

**Date: April 1, 1998**

**Re: Bill Survey Findings**

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## **METHODOLOGY**

Here are the topline findings from a survey of Ameritech residential consumers regarding their telephone bill. These findings are based on a sample of 300 respondents between the ages of 21 and 75. Of these 300, 250 were selected randomly, representing a broad range of ages and incomes, including 79 "senior citizens," aged 60 to 75. An oversample of 50 additional respondents, aged 60 to 75, was also included, so that responses of senior citizens could be compared to those of the population at large. Telephone interviews were conducted March 30 - 31, 1999, with respondents drawn from Illinois, Ohio, Michigan, and Wisconsin. In analyzing results for the randomly selected 250-person respondent pool, the margin of error is +/-6.1% at the 95% confidence level.

## **RESEARCH FINDINGS**

First, the respondents were asked how often they review their telephone bill, given the choices: often, sometimes, rarely, or never. Over two-thirds of the respondents answered that they often review the details of their bill, with senior citizens tending to be more likely to do so (73%) than the general population (68%). Only 12% of the general population said that they rarely or never review the details of their telephone bill (10% of senior citizens). (See appendix for complete details of the findings.)

Next, the respondents were asked which of the following four statements best describes the way they review their phone bill:

1. If the total is about what I expected, I don't review any of the details.
2. I review the charges in some detail, and check for obvious errors, but I don't read any other parts of the bill.
3. I skim through the whole bill to see if there are any changes, important messages, or announcements.
4. I read the entire bill.

About half of the respondents said that they read the entire bill, with senior citizens being slightly more likely (55%) than the general population (48%) to do so. About one-quarter of those interviewed said that they skim the bill for changes, important messages, and announcements

When asked if they would call the phone company to dispute a charge appearing on their bill that they thought was inaccurate, an overwhelming majority of the respondents said they would (92% of the general population, 96% of the senior citizens).

The respondents were then asked what they would be most likely to do if a charge appeared on their bill which they thought was inaccurate, given the following choices:

1. Pay the charge, even though you believe it is inaccurate.
2. Call the phone company to dispute the charge.
3. Deduct the charge from your payment, without calling to dispute it.
4. Make no payment at all.

Again, the overwhelming majority responded that they would be most likely to call the phone company to dispute the bill (92% of the general population, 91% of the senior citizens).

Next, they were asked whether they thought the phone company would insist on a customer paying a disputed charge right away, or allow the customer to wait until the charge had been fully investigated. Only 11% of the general population and 9% of the senior citizens thought that the phone company would make the customer pay immediately, while approximately three-fourths said the phone company would let the customer wait until the charge had been investigated (72% of the general population, 74% of the senior citizens). The remaining 17% of each group said that they did not know what the phone company would do.

When asked if they thought the phone company would still make the customer pay for a charge even after discovering that the charge was made in error, about 82% said that they did not think the company would make the customer pay. Only 8% of the general population and 6% of the senior citizens said they thought the customer would still have to pay for the charge.

The respondents were then asked what they thought would be most likely to happen in the event that a customer did not pay the full amount of his or her phone bill, given the following choices:

- 1.) The phone company would automatically disconnect the customer's phone service.
- 2.) The phone company would try to contact the customer, but would not disconnect the customer's phone service.
- 3.) It would depend on the situation.

Only 4% of those asked said that the service would be automatically disconnected. Most either said that the phone company would try to contact the customer without disconnecting the service (50% of the general population, 48% of the senior citizens) or that it would depend on the situation (41% of each.)

## APPENDIX

This appendix consists of a table displaying the results for each of the questions in the questionnaire . In each table, the first column lists the answer categories for the question, the second column shows the distribution of responses in the random sample, and the third column shows the distribution of the senior citizens' responses.

### Age

	RANDOM SAMPLE	ALL 60+
21-29	10%	0%
30-39	16%	0%
40-49	25%	0%
50-59	17%	0%
60-69	19%	61%
70-75	12%	39%

**How often do you review the details of your telephone bill? Would you say that you review the details often, sometimes, rarely, or never?**

	RANDOM SAMPLE	ALL 60+
Often	68%	73%
Sometimes	20%	17%
Rarely	9%	6%
Never	3%	4%

**Which of the following four statements best describes the way you review your phone bill?**

- 1. If the total is about what I expected, I don't review any of the details.**
- 2. I review the charges in some detail, and check for obvious errors, but I don't read any other parts of the bill.**
- 3. I skim through the whole bill to see if there are any changes, important messages or announcements.**
- 4. I read the entire bill.**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Statement 1	12%	12%
Statement 2	15%	13%
Statement 3	25%	20%
Statement 4	48%	55%
Don't Know/ Refused	1%	1%

**If a charge appeared on your telephone bill that you thought was inaccurate, would you call the phone company to dispute it?**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Yes	92%	96%
No	5%	3%
Don't Know	3%	1%

**If a charge appeared on your telephone bill that you thought was inaccurate, which of the following would you be most likely to do?**

1. Pay the charge, even though you believe it is inaccurate.
2. Call the phone company to dispute the charge.
3. Deduct the charge from your payment, without calling the phone company to dispute it.
4. Make no payment at all.

	RANDOM SAMPLE	ALL 60+
Statement 1	4%	3%
Statement 2	92%	91%
Statement 3	2%	4%
Statement 4	1%	0%
Don't Know/ Refused	1%	1%



**If a customer called the phone company to dispute a charge that he or she thought was inaccurate, do you think the phone company would insist on the customer paying the charge right away, or would the phone company allow the customer to wait until the charge had been fully investigated?**

- 1. The phone company would insist on the customer paying the charge right away.**
- 2. The phone company would allow the customer to wait until the charge had been fully investigated.**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Statement 1	11%	9%
Statement 2	72%	74%
Don't Know	17%	17%

**If a customer disputed a charge that appeared on his or her bill, and the phone company determined that the charge was an error, do you believe the phone company would still insist that the customer pay for the charge?**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Yes	8%	6%
No	83%	82%
Don't Know	9%	12%

If a customer did not pay the full amount of his or her telephone bill, which of the following do you think would be the most likely to happen?

1. The phone company would automatically disconnect the customer's phone service.
2. The phone company would try to contact the customer, but would not disconnect the customer's phone service.
3. It would depend on the situation.

	RANDOM SAMPLE	ALL 60+
Statement 1	4%	4%
Statement 2	50%	48%
Statement 3	41%	41%
Don't Know	6%	7%

How many phone lines are there in your home?

	RANDOM SAMPLE	ALL 60+
One	68%	73%
Two	24%	18%
Three	6%	7%
Four	1%	1%
Other	1%	0%
Don't Know/ Refused	1%	1%

**Approximately how much money do you spend each month on the local portion of your telephone bill; that is, the cost of your phone bill excluding the cost of long-distance phone calls? Would you say it's ...**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Less than \$20	17%	28%
Between \$20 and \$40	65%	55%
Between \$40 and \$75	13%	9%
More than \$75	2%	2%
Don't know/refused	4%	5%

**How would you describe the area in which you live? Is it...**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Urban	25%	24%
Suburban	34%	30%
A small town	30%	29%
Rural	11%	18%

And, can you tell me your race or ethnic background?

	RANDOM SAMPLE	ALL 60+
Black/African-American	8%	5%
Hispanic (or Mexican American/Chicano/Latino)	5%	2%
White/Caucasian	81%	89%
Asian/Pacific Islander	2%	2%
Other	1%	2%
Refused	3%	1%

Sex

	RANDOM SAMPLE	ALL 60+
Male	37%	35%
Female	63%	65%

**State**

	<b>RANDOM SAMPLE</b>	<b>ALL 60+</b>
Illinois	28%	28%
Ohio	23%	26%
Michigan	25%	34%
Wisconsin	24%	13%

Ameritech  
P.O. Box 7215  
Indianapolis, IN 46207

William Wardin  
486 Paul Cir.  
Barrington, IL 60010

01328

February 12, 1999  
547 304-9453

|||||

Dear William Wardin:

Thank you for choosing phone service from Ameritech! We hope your new service will make communication easier for you.

On the back of this letter we've listed your order and the normal monthly cost (excluding taxes, installation and usage). Please take a moment to confirm this information.

**Ameritech.**

If you have questions, or if your service is not working properly, don't hesitate to call us at the numbers below. If you are calling about existing service, a service representative will ask for your account number. Your account number is the 14-digit number that can be found on the upper right corner of the first page of your bill.

For Questions ..... 1-800-244-4444

For Repair ..... 1-888-611-4466

Thanks again for choosing Ameritech. We appreciate your business and look forward to serving you in the future.

Sincerely,

*Chuck Izban*

Chuck Izban  
General Manager  
Consumer Sales & Service

P.S. If you ordered Ameritech Voice Mail, Ameritech Quick Reach Paging Service, or any of our Caller ID telephones, your information will arrive separately within a few days.

**\* INFORMATION ONLY \***

**This is not a bill.**

Here is an itemized list of the Ameritech services you ordered. Please confirm that this list is accurate, and call us immediately if there are any discrepancies.

Please note that your actual monthly service charges may vary from the prices listed here if waivers or discounts are in effect. Check your next billing statement for verification.

<b>Service</b>	<b>Monthly Rate</b>
Caller Id	\$6.00
Calling Name Display	\$1.50

**Jeff Modisett - (Indiana Attorney General)**

**Remarks at 3/17 Ameritech press conference**

Actually when Kent asked me to come today, I immediately accepted because I thought it might be the only successful bill I might be associated with during the session. So I am glad to be here.

The telecommunications industry right now, as you all know if you combine long distance and the local carriers, is really like the Wild Wild West. Entrepreneurs are doing a very good job, but that also provides more opportunity for confusion and more opportunity for deceptive scams to take place. So we started working with Ameritech last year and I want to include George Fleetwood - Vice President of Government Affairs for Ameritech Indiana- in this, to try to see if we could get legislation passed that would reduce the incentive for slamming in the state of Indiana. And so we saw the Attorney General's Office as working hand in hand in partnership with private business to try and remedy a consumer protection problem. It is a major problem we continue to get many complaints about.

I was very happy with the way the bill eventually worked out, even though everything goes initially to the IURC. To begin with, the law makes it very clear that when the IURC refers the complaints to us, it makes it a deceptive act, and that we can get up to \$500.00 per violation which we will interpret as being every single mailing with a deceptive act on it. So the fines could be substantial.

So we are very happy to be a participant in this and I know that with regard to the Federal Communication Commission- the FCC - they have issued guidelines on what they think



these bills should look like. They have three major points and, quite frankly, this bill meets and exceeds all of those points. They wanted the telephone bills to be clearly organized and highlight any new changes or charges. Telephone bills should contain full and non-misleading descriptions of all charges and clear identification of the service provider that is responsible. Telephone bills should clearly and conspicuously specify whom consumers should contact regarding inquiry and complaints.

This bill does all of that and more and so we have no hesitation – the Attorney General's Office has no hesitation in saying that we are proud to work with Ameritech so that we can continue to provide more information to consumers. Less deception, less opportunity for scams and frauds and even though you may have a patent on this, we hope that won't discourage your competitors from trying to have more consumer-friendly bills and ones that are easier to understand. They are just going to have to think of it on their own.

So thank you very much.

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|||  
AMERITECH

SAGINAW, MI 48663-0003

Account Number

MAR 25, 1999

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WAKEFIELD MI 49968-0076

**PAST DUE CHARGES... 372.49**

WHEN PAYING IN PERSON, DO NOT DETACH TOP SECTION. PLEASE BRING COMPLETE PAGE.

**DISCONNECTION NOTICE****YOUR ACCOUNT IS PAST DUE IN THE AMOUNT OF \$372.49.**

The total amount past due of \$372.49 must be received by  
MAR 31, 1999. Non-payment may result in one or more of the  
following actions:

- restricting your long distance/toll service
- removing other services (e.g. paging and voicemail), and
- referring your account to an outside collection agency

If you wish to pay your past due balance with a credit card or  
automatic withdrawal from your bank account, or have questions  
about this notice, call the collection office at 1-800-634-4948.

Additionally, your telephone service will be disconnected if \$288.91  
is not received by MAR 31, 1999. If service is disconnected, a  
reconnection charge of \$30.50 will apply and a deposit may also be  
required.

Please disregard this notice if payment has already been made.

**Rights of residential telephone customers:**

If before the proposed disconnection date you have any questions about  
your bill or wish to file a complaint, call our collection office. If  
you do not accept all or any part of the total amount due, you should  
dispute the amount before the service disconnection date. Any portion  
of the bill for basic local exchange service and regulated toll service  
not in dispute must be paid within 3 days of filing your formal  
complaint. If this amount cannot be mutually agreed upon, the telephone  
company may request 50% of the amount in dispute. Service will not be  
disconnected pending resolution of a complaint or claim filed in  
accordance with the rules of the Michigan Public Service Commission.

